Appointment

From: Yannayon, Laura [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP

(FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=0EC245483F2D4762801CD01D01220F92-LYANNAYO]

Sent: 9/14/2020 3:02:49 PM

Subject: SJVAPCD Board meeting 9/17/20--ERC item.

Start: 9/17/2020 4:00:00 PM **End**: 9/17/2020 6:00:00 PM

Show Time As: Busy

From: Zimpfer, Amy

Sent: Friday, September 11, 2020 7:42 PM

To: Rios, Gerardo; Yannayon, Laura; Adams, Elizabeth; Kurpius, Meredith; Lueders, Jesse;

Christenson, Kara

Cc: Zimpfer, Amy

Subject: SJVAPCD Board meeting 9/17/20--ERC item.

Follow Up Flag: Follow up Flag Status: Flagged

Hi Folks,

See the 9/17/20 SJVAPCD Board Meeting agenda and ERC staff report found here:

Agenda; see item

13: https://www.valleyair.org/Board_meetings/GB/agenda_minutes/Agenda/2020/september/agenda.pdf

Staff Report and

Recommendation: https://www.valleyair.org/Board_meetings/GB/agenda_minutes/Agenda/2020/September/final/13.pdf

SJVAPCD Board will consider the following staff recommendation on 9/17/20. Emphasis added. I plan to listen in.:

"...With the recommended provisional removal of the emissions reductions associated with the AG-ICE and orphan shutdown projects, the system would no longer be able to demonstrate equivalency with the surplus value test for NOx and VOC. Pursuant to the District's

NSR rule, immediately following this action, any ATC requiring NOx or VOC offsets under the NSR rule for a new major source or federal major modification would be required to supply ERCs with sufficient "surplus at time of use" credit at the time of ATC issuance until such time that equivalency is again demonstrated. Surplus value test equivalency for PM10, PM2.5, and SOx has not relied on the significant use of emissions reductions associated with the AG-ICE and orphan shutdown projects. Therefore, the provisional removal of these reductions is not anticipated to affect the ability to demonstrate surplus value test equivalency for these pollutants. Similarly, these reductions are not used in demonstrating offset quantity test equivalency for any pollutant, so their provisional removal is not anticipated to affect offset quantity test equivalency. The District will incorporate today's recommendations, finalize the equivalency demonstrations for the surplus value test for PM10. PM2.5, and SJVUAPCD Governing Board ITEM NUMBER 13: UPDATE ON DISTRICT RESPONSE TO CALIFORNIA AIR RESOURCES BOARD'S REVIEW OF THE DISTRICT EMISSION REDUCTION CREDIT SYSTEM September 17, 2020 5 SOx, and finalize the offset quantity test for all pollutants, in the annual offset equivalency report due November 20, 2020. NEXT STEPS: Upon approval of today's recommendations by your Board, the District will provide information to interested parties consistent with the District's ongoing outreach efforts on this matter. Additionally, the District will continue to conduct engagement efforts with affected stakeholders, CARB, EPA, and the interested public to discuss the District's offset equivalency system and identify long-term solutions, including the following next steps: • September 2020, kick-off of ERC Public Advisory Workgroup process • October 2020, public workshop on draft 2020 Annual Equivalency Demonstration • November 2020, final 2020 Annual Equivalency Demonstration submitted to EPA and ARB • December 2020, final 2020 Annual Equivalency Demonstration presented to the Governing Board..."

Amy Zimpfer, Assistant Director

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